

Fair Political Practices Commission

Memorandum

To: Chairman Randolph, Commissioners Blair, Downey, Huguenin, and Remy

From: Whitney Barazoto, Legislative and Communications Coordinator
Mark Krausse, Executive Director

Subject: Legislative Report

Date: January 6, 2006

The Legislature began the second year of its 2005-06 session on January 4, 2006. The deadline for a bill to pass out of its house of origin is January 31, 2006; bills that are currently subject to that deadline are noted.

ACTION ITEMS

Bills Amending the Political Reform Act

Bill No.	Author	Title	Introduced/Amended
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SB 1120	Ortiz	Fair Political Practices Commission: funding	I-01/04/06
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This bill would increase Commission funding to an annual appropriation of \$9,000,000. It would also specify that if a provision of the Political Reform Act is successfully challenged, any attorney's fees and costs shall be paid from the General Fund and the Commission's budget shall not be reduced accordingly. If passed, the bill would take effect on July 1, 2007. (**Analysis attached**)

Status: Introduced

Recommended Position: Sponsor

INFORMATIONAL ITEMS

Bills Amending the Political Reform Act

Bill No.	Author	Title	Introduced/Amended
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AB 16	Huff	Campaign Contributions	A-02/09/05
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This bill prohibits the Governor or a member of the Legislature from accepting any campaign contributions between the date of the May budget revision and the date of the enactment of the budget bill for the upcoming fiscal year.

Status: Assembly Elections Committee (must pass Assembly by 1/31/06 to continue)

Position: Oppose unless amended

AB 40	Wolk	Conflict of interest: lobbying interests	I-12/6/04
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This bill prohibits lobbyists who contract with an elected state officer from lobbying that officer, his or her staff or the staff of any committee the member chairs, and requires notification to the Secretary of State by lobbyists who enter into a contractual agreement with an elected state officer. AB 40 also requires that any payment conditioned on the outcome of an election be disclosed in pre-election reports.

Status: Assembly Elections Committee (must pass Assembly by 1/31/06 to continue)

Position: Oppose unless amended

AB 347 Huff Enforcement A-03/29/05

This bill would make a violation of the Act a misdemeanor or felony, punishable by imprisonment in a county jail for no more than one year, or by 16 months, 2 years, or 3 years in the state prison. This bill contains other related provisions and other existing laws.

Status: Assembly Elections Committee (must pass Assembly by 1/31/06 to continue)

Position: Support

AB 513 Richman Lobbyist registration: bond consultants A-04/26/05

This bill would expand the definition of administrative action to include the selection of an underwriter for state or local bond business.

Status: Assembly Appropriations Committee (must pass Assembly by 1/31/06 to continue)

Position: None taken

AB 534 Montanez Disqualification and disclosure A-08/29/05

This bill was gutted and amended on August 29, 2005, to impose a “piercing” provision in the income disclosure and disqualification provisions of the Act. Under existing law, SEI filers holding a 10% or greater interest in a business entity must report sources of income to that business entity of \$10,000 or more. This bill would require that the filer also report the name of any person paying more than \$10,000 to one of those reportable sources of income. For example, a public official who holds a 50% interest in a law firm already reports the names of clients paying his firm \$10,000 or more in a calendar year. This bill would require that this public official also report any person (including non-individuals) that the official should know is paying \$10,000 or more to one of his firm’s reportable clients. In addition, the bill would make the newly reportable source of income disqualifying under section 87103.

Status: Assembly Appropriations Committee (must pass Assembly by 1/31/06 to continue)

Position: None taken

AB 583 Hancock California Clean Money and Fair Elections Act of 2005 A-04/13/05

This bill would enact the California Clean Money and Fair Elections Act of 2005, which would authorize eligible candidates, as defined, to obtain public funds according to specified procedures and requirements, provided that certain thresholds are attained. The bill would impose responsibility for the administration of the provisions of the bill on the Fair Political Practices Commission. The bill would appropriate \$500,000 each fiscal year from the fund created by the bill to the Fair Political Practices Commission for the purpose of administration of the act, as specified.

Status: Assembly Elections Committee (must pass Assembly by 1/31/06 to continue)

Position: None taken

AB 709 Wolk Candidate-controlled ballot measure committees A-06/28/05

Imposes a \$5,600 limit on contributions to ballot measure committees controlled by elective state office candidates. Primarily formed ballot measure committees would be subject to the post-election fundraising restrictions in the Act. The bill aggregates contributions to multiple ballot measure committees in support of, or in opposition to, the same ballot measure that are controlled by the same state candidate. It would also require the Secretary of State to submit the bill’s provisions to the voters at the November 8, 2005 election.

Status: Senate Elections Committee

Position: Support

AB 891 DeVore Slate Mailer Organizations A-04/13/05

Amends Act's slate mailer provisions to (1) make inclusion in a slate mailer sent by a recipient committee not at the candidate's behest a contribution to a candidate who does not pay equal consideration for the mailer; (2) require a slate mailer organization to notify the candidate of the value of the contribution; and (3) require the Commission adopt regulations providing a method for valuing slate mailer communications.

Status: Assembly Elections Committee (must pass Assembly by 1/31/06 to continue)

Position: None taken

AB 1129 Mountjoy Political Reform Act of 1974 A-08/25/05

This bill would repeal the requirement that the Secretary of State make a copy of the ballot pamphlet available for public inspection at least 20 days prior to submitting the ballot to the State Printer.

Status: Senate Appropriations Committee

Position: None taken

AB 1363 Jones Economic interest disclosure and blind trusts A-08/29/05

This bill would add additional layers of income and investment disclosure, up to and in excess of \$2 million, and to require the Governor, Lieutenant Governor, Controller, Treasurer, Secretary of State, Superintendent of Public Instruction, Attorney General, and Insurance Commissioner to place their investments and interests in real property, if any, into a blind trust before taking office.

Status: Assembly Human Services Committee (must pass Assembly by 1/31/06 to continue)

Position: None taken

AB 1391 Leno Campaign disclosure: general purpose committees A-08/18/05

Defines a state general purpose committee as a committee that is not a county or city general purpose committee, or a committee that makes expenditures to support or oppose candidates or measures voted on in a state election, or in more than one county, including contributions to state general purpose committees, which total more than 50% of the contributions and independent expenditures made by the committee. Adds additional layers of income disclosure up to and in excess of \$2 million.

Status: Senate Elections Committee

Position: Sponsor of Sections 2-4

AB 1558 Wolk Pilot project: financial interests in public contracts A-04/26/05

Commission-sponsored Govt. Code sec. 1090 pilot project to issue opinions to public officials after consultation with the AG's office and applicable local prosecutor.

Status: Assembly floor (must pass Assembly by 1/31/06 to continue)

Position: Sponsor

SB 11 Bowen Contributions: voting equipment manufacturers/vendors A-06/02/05

This bill prohibits a candidate for elective state or local office from accepting any contributions from a manufacturer or vendor of voting equipment or systems. This bill also amends the Elections Code to declare that the Secretary of State cannot serve as an officer of a political party or partisan organization, or support or oppose any candidate or ballot measure.

Status: Assembly Elections Committee

Position: Oppose unless amended

A-01/19/05

Position: Oppose unless amended

A-05/04/05

Position: Oppose unless amended

I-01/10/05

Position: Oppose unless amended

A-03/14/05

Position: Neutral

I-02/16/05

Position: None taken

A-08/15/05

Position: None taken

SB 721 Chesbro Elections: ballot pamphlets A-04/18/05

This bill would codify the requirements of existing law that, in ruling on a challenge to a ballot pamphlet copy, a court shall indulge all legitimate presumptions in favor of the propriety of the copy, and find the copy sufficient in cases where reasonable minds could differ as to the sufficiency of the copy.

Status: Senate Elections Committee (must pass Senate by 1/31/06 to continue)

Position: None taken

SB 784 Committee Campaign contributions and expenditures A-05/17/05

This bill extends the reporting threshold and deadline for payments for legislative, governmental, or charitable purposes made "at the behest of" an elected official from \$5,000 to \$7,000 and from 30 days to 90 days, respectively. It also specifies that such a payment made in response to a press release, interview, or other media-related communication from an elected official is not required to be reported. In addition, it adds that an elected official is required to report such a payment only if he or she knows, or has reason to know, that a payment was made at his or her behest.

Status: Assembly Floor

Position: Neutral

SB 929 Kehoe California Coastal Commission: administrative actions A-06/02/05

Expands the definitions of lobbyist to include those in direct communication with California Coastal Commissioners for the purpose of influencing quasi-judicial decisions, but excludes from that definition those who communicate on only one administrative action in a calendar year. Urgency clause added on June 6th.

Status: Senate Floor (must pass Senate by 1/31/06 to continue)

Position: Neutral

Bills Not Amending the PRA

Bill No.	Author	Title	Introduced/Amended
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SCA 13 Ortiz Biomedical research A-06/08/05

The California Stem Cell Research and Cures Act (Proposition 71) established the California Institute for Regenerative Sciences and the Independent Citizens Oversight Committee to perform various oversight functions with regard to the Institute. Members of the ICOC are required to file statements of economic interest with the FPPC. This constitutional amendment would require that the president and each employee of the Institute disclose various economic interests and file with the FPPC. It further requires that a member of any working or advisory group appointed to assist the institute or its governing body disclose his or her income and investments in any entity that has sought funding from the institute or that is engaged in biomedical research.

Status: Senate Floor (must pass Senate by 1/31/06 to continue)

Position: None taken

SCA 17 Speier State officers: outside income A-08/15/05

This bill would amend the California Constitution to prohibit a state officer from providing services under contract or otherwise accepting employment, other than performing the duties of his or her state office for compensation from the state, in exchange for compensation or other valuable consideration to that state officer or to any other party or entity.

Status: Introduced

Position: None taken

Bills Vetoed by the Governor

Bill No.	Author	Title	Introduced/Amended
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AB 739 Nation Political Expenditure Disclosure V-10/07/05

Lowers from \$50,000 to \$10,000 the reporting threshold applicable to issue advocacy communications that clearly identify a candidate for elective state office made within 45 days of an election. The bill also lowers the threshold for donor reporting from \$5,000 to \$1,000.

Status: Vetoed by Governor

Position: None taken

AB 938 Umberg Campaign expenditure disclosures V-10/08/05

Requires electronic filers to also report expenditures totaling \$10,000 or more to support or oppose the qualification or passage of a ballot measure, and disclosing other specified information, within 10 business days of making the expenditure. The bill would require that this report also be filed in the places where the committee would be required to file campaign statements if it were formed or existing primarily to support or oppose the measure for or against which it is making the expenditure.

Status: Vetoed by Governor

Position: None taken

Chaptered Bills

Bill No.	Author	Title	Chapter Number
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AB 1234 Salinas Local Agencies: Compensation and Ethics Ch. 700, Statutes of 2005

As chaptered, this bill clarifies the rules pertaining to compensation of local government officials when they attend authorized meetings and conferences, and it requires local agencies to establish guidelines for reimbursing local officials for actual and necessary expenses incurred in the performance of official duties. Most pertinent to the Commission is that the bill requires ethics training for local government officials and selected employees of a local agency that provides such compensation or reimbursement. If a local agency develops curricula to satisfy the training requirements, the agency must consult with the Commission and the Attorney General regarding the sufficiency and accuracy of any proposed course content. Commission staff has added an item to the regulatory calendar to address the consultation requirement.

AB 1755 Committee Commission-sponsored Omnibus Bill Ch. 200, Statutes of 2005

As chaptered, this Commission-sponsored measure makes the following changes to the Political Reform Act: 1) deletes reporting provisions relating to the now-obsolete March state primary; 2) clarifies that a late contribution report or a late independent expenditure report is not required to be filed by a candidate or committee that has disclosed the late contribution or late independent expenditure pursuant to a specified electronic report; 3) extends from 30- to 45-days the period during which a candidate may leave one office and assume another without having to file a new SEI; 4) clarifies that a candidate for city treasurer is required to file a statement of economic interests with the city clerk and that a candidate for judge is required to file a statement of economic interests with the person with whom the candidate's declaration of candidacy is filed, instead of filing the statement with the clerk of the court.

SB 8 Soto Local Post-gov. Employment Restrictions Ch. 680, Statutes of 2005

As chaptered, this bill extends to local elected officials, county chief administrative officers, city managers or administrators, and special district general managers or chief administrators the one-year post-governmental employment restrictions ("revolving door" ban) currently applicable to state public officials. It prohibits these local elected officials from lobbying the local government agency of which that official was a member for a period of one year after leaving office. It exempts from the prohibition individuals who are appearing or communicating on behalf of another local government or public agency of which the individual is a board member, officer, or employee. The provisions of SB 8 will take effect on **July 1, 2006**, imposing on the Commission an estimated annual cost increase of approximately \$168,000. A budget change proposal has been approved by the Department of Finance for funding and positions to implement this legislation.

ACR 1 McLeod Proposition 71: stem cell research Ch. 128, Statutes of 2005

As chaptered, this measure urges the Independent Citizen's Oversight Committee established pursuant to Proposition 71 approved by the voters at the November 2, 2004, general election, to adopt robust conflict-of-interest standards for itself and for the members of its working groups, to comply with standards set forth in provisions of law relating to open meetings of public agencies and public records, and to report to the Legislature by January 1, 2006.